

TERRITORY OF GUAM OFFICE OF THE GOVERNOR AGAÑA, GUAM 96910 U.S.A.

EXECUTIVE ORDER NO. 87-12

AMENDMENT TO EXECUTIVE ORDER 86-35 RELATING TO GROUP LIFE INSURANCE PROCUREMENT AND EMERGENCY SELF-INSURED PROGRAM

WHEREAS, pursuant to E.O. 86-8, as amended by E.O. 86-12, E.O. 86-17, and E.O. 86-35, the Director of Administration has implemented an emergency plan whereunder the Government of Guam is self-insuring its group life insurance program to supplant its previous contract that was cancelled by the carrier; and

WHEREAS, the duration of self-insurance under E.O. 86-8, as amended by E.O. 86-12, E.O. 86-17, and E.O. 86-35, is for a 60-day period that will expire midnight, February 28, 1987; and

WHEREAS, the Director of Administration had made a diligent and timely effort to make an emergency procurement of group life insurance, but additional time is needed in order to obtain an adequate and affordable group life insurance contract from a responsible private carrier; and

WHEREAS, the Group Life Insurance Fund created under E.O. 86-8, as amended by E.O. 86-12, E.O. 86-17, and E.O. 86-35, has proven to be an acceptable and effective means of providing essential insurance protection for government employees, retirees and their families on a short-term basis, and can be extended for a reasonable period of time to enable the Director of Administration to successfully complete the procurement process; and

WHEREAS, the Director of Administration's solicitation of bids for the procurement of group life insurance which closed on August 26, 1986, netted only one (1) carrier whose bid was not valid; and



WHEREAS, the Director of Administration solicited for plan design recommendations from insurance companies within the community; and

WHEREAS, this effort did not net any proposal; and
WHEREAS, during the period of self-insurance, the
Waiver of Premium Provision has become a negative liability; and

WHEREAS, it is unlikely that insurance carriers will be willing to absorb this liability; and

WHEREAS, it is necessary to continue providing group life insurance to employees, retirees and survivors of retired employees receiving annuities.

NOW, THEREFORE, I, JOSEPH F. ADA, Governor of Territory of Guam, by virtue of the authority vested in me by the Organic Act and the laws of Guam, do hereby order that the Group Life Insurance Fund and the self-insured program being operated by the Director of Administration pursuant to E.O. 86-8, as amended by E.O. 86-12, E.O. 86-17, and E.O. 86-35, shall continue for an additional sixty (60) days from the date of this Order, or until a satisfactory group life insurance policy is lawfully procured, whichever is sooner subject to the following amendment: Effective 12:01 a.m., April 1, 1987, the Supplemental Insurance Provision of the group life self-insurance program will terminate. this termination is the accompanying Waiver of Premium Provision on the supplemental program, as well as the accidental death and dismemberment (AD&D) provision. There will be no conversion provision on the supplemental program.



The Director of Administration is hereby authorized to charge against the Group Life Insurance Fund account expenditures necessary to administer the Group Life Insurance Program.

SIGNED AND PROMULGATED, this 28th day of February, 1987.

FRANK F. BLAS Acting Governor

COUNTERSIGNED:

FRANKLIN J. GUTTERREZ Acting Lieutenant Governor